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# THE DECENTRALIZATION OF YUGOSLAV FOREIGN TRADE

Evald Sitar

In connection with the reorganization and decentralization of the total economy now being carried out in Yugoslavia, foreign trade is to be decentralized. The development of primary producer-exporters and consumer-importers has reached such a stage that the majority of export and import activities can easily be transferred to enterprises themselves, without fear that this transfer will have a bad effect on foreign trade.

Full responsibility for execution of the export-import plan will be entrusted to the producer as exporter and the consumer as importer. This responsibility will apply to all phases of business with foreign countries, from the first contracts to the conclusion of contracts and the actual import or export, etc. Such a reorganization will require a corresponding reorganization in the administrative setup. In the beginning the republic import and export enterprises are to give temporary help to those branches of the economy which have not yet developed to the level required for conducting such business.

Yugoslav industry has now developed to such a degree that Yugoslavia can transfer the major part of this business to importers and exporters. Certain industrial enterprises have already acted as independent importers or exporters and have proved their capability in this respect.

The federal Ministry of Foreign Trade will be the directing and supervising agency with the basic responsibility of directing Yugoslav foreign trade policy, and not the Ministries of Import and Export in the respective republics. The federal Ministry of Foreign Trade will be an advisory, directing agency, not a commanding authority. Functions similar to those of the federal Ministry of Foreign Trade will be given to the republic Ministries of Import and Export in analysis and supervision. The republic Ministries of Import and Export will not be directly responsible for effecting the export and import plan; this responsibility will be transferred to the exporters and importers themselves. Principal matters, of course, will be decided with the advice of the republic Ministries of Import and Export.

- 1 -

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The federal export and import enterprises will be abolished sooner or later and their functions transferred to the exporters and importers.

Exports of goods which have exchange significance will require uniform handling to avoid harmful competition. For such exports it is planned to establish cooperative selling bureaus. In contrast to the previous central export enterprises, these bureaus will be agencies of the republic exporters themselves, not of the Ministry of Foreign Trade nor of the republic Ministries for Import and Export. Enterprises will join selling bureaus voluntarily. Selling bureaus will be directed by the enterprises composing them. They may do the work which central exporters dealt with until now, from contracting to actual export, or they may function only as information centers.

The plan to unite enterprises into selling bureaus is to be closely studied, after which written agreements are to be drawn defining in detail all mutual rights and duties. The Yugoslav Ministry of Foreign Trade will approve such mutual agreements, and will register exporters and importers. In establishing selling bureaus and defining mutual agreements, Yugoslavia must adhere to the primary principles of decentralization. Otherwise it might merely centralize export in another form. Export of industrial articles which do not require uniform handling will be left completely to exporters who will act independently in world markets.

Development of imports will parallel that of exports, with uniform handling necessary for certain items, and individual handling for others. The primary consumers, the importers, will import only those small quantities of material needed for maintenance, repairs, etc.

Decentralization of foreign trade will put selling on a professional level as it will be transacted without middlemen, who were often not experts in the business concerned. Furthermore, it will make it possible to take into consideration particular desires and requirements, to give and receive expert advice. In addition, more satisfactory pricing of goods will be achieved.

In decentralizing imports, the producer, who alone knows what he needs for production, and where to buy the best and cheapest raw materials, will be doing the importing.

Decentralization of foreign trade does not eliminate the need for a uniform foreign exchange policy. This is especially needed while the transition to decentralization is taking place, when it is absolutely necessary for directives to be given as to the kind of foreign exchange in which transactions will be made.

Enterprises, workers' councils and unions, and importers and exporters who will take over export and import trade in the near future must remember that they are engaged in export and import for the interest and profit of their own enterprise and themselves. They must be guided by the principle of creating the greatest possible foreign exchange credits for their exports, and they must reduce their imports to a minimum, thus protecting reserves of foreign exchange credit.

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- 2 -

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